ASCOTT RESIDENCE TRUST
UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2011
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Summary of Group Results

	1Q 2011 S$'000	1Q 2010 S$'000	Better/ (Worse) %
Revenue	67,314	43,464	55
Gross Profit	36,368	20,146	81
Unitholders' Distribution	23,983	10,274	133
Distribution Per Unit (cents)	2.14	1.66	29

INTRODUCTION

Ascott Residence Trust ("Ascott Reit") was established under a trust deed dated 19 January 2006 entered into between Ascott Residence Trust Management Limited (as manager of Ascott Reit) (the "Manager") and DBS Trustee Limited (as trustee of Ascott Reit) (the "Trustee").

Ascott Reit's objective is to invest primarily in real estate and real estate related assets which are income-producing and which are used, or predominantly used as serviced residences or rental housing properties. It has a portfolio of serviced residences and rental housing properties across Asia Pacific and Europe. Ascott Reit's investment policy covers any country in the world.

Ascott Reit was directly held by The Ascott Limited (formerly known as The Ascott Group Limited) up to and including 30 March 2006 (the "Private Trust"). On 31 March 2006 (the "Listing Date"), Ascott Reit was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") with an initial portfolio of 12 properties ("Initial Properties") with 2,068 apartment units in 7 cities across five countries (Singapore, China, Indonesia, the Philippines and Vietnam).

On 1 October 2010, Ascott Reit completed the acquisition of 28 properties in Singapore, Vietnam and Europe from The Ascott Limited (Ascott) and the divestment of Ascott Beijing to Ascott. On 29 October 2010, Ascott Reit completed the divestment of Country Woods, Indonesia.

At 31 March 2011, Ascott Reit's portfolio comprises 64 properties with 6,431 apartment units in 12 countries and 23 cities across Asia Pacific and Europe.

Ascott Reit makes distributions to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Distributions are paid in Singapore dollar.

1(a)(i) CONSOLIDATED STATEMENT OF TOTAL RETURN

	Note	GROUP 1Q 2011 S$'000	GROUP 1Q 2010 S$'000	Better / (Worse) %
Revenue	A.1	67,314	43,464	55
Direct expenses	A.2	(30,946)	(23,318)	(33)
Gross Profit	A.1	36,368	20,146	81
Finance income		366	338	8
Other operating income		65	54	20
Finance costs	A.3	(9,338)	(5,758)	(62)
Manager's management fees	A.3	(3,199)	(1,775)	(80)
Trustee's fees		(72)	(48)	(50)
Professional fees	A.3	(409)	(176)	(132)
Audit fees	A.3	(346)	(205)	(69)
Foreign exchange (loss)/ gain	A.4	(2,869)	1,302	(320)
Other operating expenses		(148)	(166)	11
Share of loss of associate (net of tax)		(24)	(9)	(167)
Net income before changes in fair value of financial derivatives		**20,394**	**13,703**	**49**
Net change in fair value of financial derivatives	A.5	(5)	(425)	99
Total return for the period before tax		**20,389**	**13,278**	**54**
Income tax expense	A.3	(3,909)	(2,817)	(39)
Total return for the period after tax		**16,480**	**10,461**	**58**
Attributable to:				
Unitholders		15,309	9,190	
Non-controlling interests		1,171	1,271	
Total return for the period		**16,480**	**10,461**	**58**

RECONCILIATION OF TOTAL RETURN FOR THE PERIOD ATTRIBUTABLE TO UNITHOLDERS TO TOTAL UNITHOLDERS' DISTRIBUTION

	Note	GROUP 1Q 2011 S$'000	 1Q 2010 S$'000	Better / (Worse) %
Total return for the period attributable to Unitholders		15,309	9,190	
Net effect of non-tax deductible/chargeable items and other adjustments	A.6	8,674	1,084	
Total amount distributable to Unitholders for the period		**23,983**	**10,274**	**133**
Comprises :				
- from operations		3,750	559	
- from unitholders' contributions		20,233	9,715	
		23,983	**10,274**	**133**

1(a)(ii) Explanatory Notes to Consolidated Statement of Total Return

A.1 Revenue and Gross profit

Revenue for 1Q 2011 of S$67.3 million comprised S$10.6 million (16% of total revenue) from properties on Master Leases, S$13.6 million (20%) from properties on management contracts with minimum guaranteed income and S$43.1 million (64%) from properties on management contracts. Revenue for 1Q 2011 increased by S$23.8 million or 55% as compared to 1Q 2010. The increase in revenue was mainly due to the additional revenue of S$27.7 million from the 28 properties acquired on 1 October 2010, partially offset by the decrease in revenue of S$4.7 million from the divestment of Ascott Beijing and Country Woods.

On a same store basis, revenue for 1Q 2011 increased by S$0.8 million from S$38.8 million to S$39.6 million. The increase was mainly due to the higher contribution from the Group's serviced residences in Singapore, partially offset by weaker performance from the serviced residences in China.

The Group achieved a REVPAU of S$133 in 1Q 2011, an increase of 9% as compared to 1Q 2010. The increase in REVPAU was mainly due to the existing Singapore properties and the United Kingdom properties acquired.

Gross profit for 1Q 2011 of S$36.4 million comprise S$10.0 million (27% of total gross profit) from properties on Master Leases, S$5.4 million (15%) from properties on management contracts with minimum guaranteed income and S$21.0 million (58%) from properties on management contracts. Gross profit in 1Q 2011 increased by S$16.3 million or 81% to S$36.4 million as compared to 1Q 2010. The increase in gross profit was mainly due to the additional contribution of S$17.1 million from the 28 properties acquired on 1 October 2010, partially offset by the decrease in gross profit of S$1.4 million from the divestment of Ascott Beijing and Country Woods.

On a same store basis, in line with the increase in revenue, gross profit for 1Q 2011 increased by S$0.6 million from S$18.7 million to S$19.3 million.

Please refer to Para 8(a) for a more detailed analysis.

A.2 Direct expenses include the following items:

	GROUP 1Q 2011 S$'000	 1Q 2010 S$'000	Better / (Worse) %
Depreciation and amortisation	(2,107)	(1,483)	(42)
Staff costs	(6,393)	(3,777)	(69)

A.3 Finance costs/ Manager's management fees/ Professional fees/ Audit fees/ Income tax expense

The increase in the above expenses mainly arose due to the 28 properties acquired on 1 October 2010.

A.4 Foreign exchange (loss) / gain

The foreign exchange loss recognised in 1Q 2011 was largely due to unrealised exchange loss on foreign currency shareholder's loans, mainly denominated in US Dollar ("US$"), extended to the Group's subsidiaries, whose functional currency is denominated in US$, as a result of the depreciation of the US$ against S$. The foreign exchange loss was partially offset by unrealised exchange gain on S$ bank loan in Australia subsidiary's books, as a result of the appreciation of A$ against S$ and on US$ bank loan in China subsidiary's books, as a result of the appreciation of RMB against US$.

A.5 Net change in fair value of financial derivatives

The net change in fair value of financial derivatives was lower as compared to the corresponding period last year due to the unwinding of the cross currency swap, upon the divestment of Ascott Beijing. The cross currency swap was previously entered into to effectively convert Ascott Beijing's US$ bank loan to S$ bank loan at the Group level.

A.6 Net effect of non-tax deductible/(chargeable) items and other adjustments include the following:

	GROUP			
	1Q 2011 S$'000	1Q 2010 S$'000		Better / (Worse) %
Depreciation and amortisation	2,107	1,483		(42)
Manager's management fee payable/paid partially in units	2,372	888		(167)
Trustee's fees*	15	13		(15)
Foreign exchange loss/(gain)	2,778	(1,634)		(270)
Net change in fair value of financial derivatives (Note A.5)	5	425		99
Deferred tax expense	1,746	361		(384)
Effect of non-controlling interests arising from the above	(301)	(386)		(22)

* This relates to the Singapore properties only and is not tax deductible.

1(b)(i) BALANCE SHEET

	Note	GROUP		REIT	
		31/03/11 S$'000	31/12/10 S$'000	31/03/11 S$'000	31/12/10 S$'000
Non-Current Assets					
Plant and equipment	1(b)(ii)	37,619	44,952	11,857	12,319
Serviced residence properties	1(b)(iii)	2,569,594	2,577,620	542,681	542,681
Interest in subsidiaries		-	-	119,785	119,785
Interest in associate		3,053	3,215	3,564	3,702
Financial derivatives	1(b)(iv)	1,853	409	1,430	41
Deferred tax assets		5,054	6,759	-	-
		2,617,173	**2,632,955**	**679,317**	**678,528**
Current Assets					
Inventories		278	316	-	-
Trade receivables		9,036	8,438	1,748	1,985
Other receivables and deposits		30,770	29,394	1,234,912	1,228,743
Cash and bank balances	1(b)(v)	97,625	132,711	7,171	15,099
		137,709	**170,859**	**1,243,831**	**1,245,827**
Total Assets		**2,754,882**	**2,803,814**	**1,923,148**	**1,924,355**
Non-Current Liabilities					
Interest bearing liabilities	1(b)(vi)	(778,889)	(631,131)	(380,773)	(84,488)
Financial derivatives	1(b)(iv)	(10,557)	(10,479)	(79)	(76)
Deferred tax liabilities		(34,184)	(34,282)	-	-
		(823,630)	**(675,892)**	**(380,852)**	**(84,564)**
Current Liabilities					
Trade payables		(4,213)	(8,132)	(19)	(270)
Other payables		(111,800)	(151,480)	(156,806)	(156,953)
Interest bearing liabilities	1(b)(vi)	(319,540)	(468,351)	-	(289,207)
Financial derivatives	1(b)(iv)	(284)	(590)	-	-
Provision for taxation		(7,971)	(9,275)	(103)	(125)
		(443,808)	**(637,828)**	**(156,928)**	**(446,555)**
Total Liabilities		**(1,267,438)**	**(1,313,720)**	**(537,780)**	**(531,119)**
Net Assets		**1,487,444**	**1,490,094**	**1,385,368**	**1,393,236**
Represented by:					
Unitholders' funds	1(d)(i)	1,416,323	1,417,467	1,385,368	1,393,236
Non-controlling interests	1(d)(i)	71,121	72,627	-	-
Total Equity	1(d)(i)	**1,487,444**	**1,490,094**	**1,385,368**	**1,393,236**

1(b)(ii) Plant and equipment

The decrease in the Group's plant and equipment as at 31 March 2011 was mainly due to the transfer of renovation costs to serviced residence properties upon completion of the renovation of the serviced residence property in the United Kingdom.

1(b)(iii) Serviced residence properties

The decrease in the Group's serviced residence properties as at 31 March 2011 was mainly due to the foreign currency differences arising from translating the Group's overseas serviced residence properties, held by subsidiaries with non-Singapore dollar functional currencies, to Singapore dollar at lower exchange rates as a result of the weakening of these foreign currencies, particularly US$ and Japanese Yen, against Singapore dollar. The decrease was partly offset by the transfer of renovation costs from plant and equipment as described in 1(b)(i) above.

1(b)(iv) Financial derivatives

The financial derivatives relate to the fair value of interest rate swaps and interest rate caps, entered into by subsidiaries to hedge interest rate risk.

1(b)(v) Cash and bank balances

The decrease in the Group's cash and bank balances as at 31 March 2011 was mainly due to distribution paid to unitholders on 28 February 2011 for the period 22 September 2010 to 31 December 2010, partially offset by cash generated from operations.

1(b)(vi) Interest bearing liabilities

	GROUP			REIT	
	31/03/11	31/12/10		31/03/11	31/12/10
	S$'000	S$'000		S$'000	S$'000
Amount repayable in one year or less or on demand					
- Secured	319,773	414,830		-	235,147
- Unsecured	-	54,082		-	54,082
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(233)	(561)		-	(22)
	319,540	468,351		-	289,207
Amount repayable after one year					
- Secured	733,669	584,304		383,717	85,568
- Unsecured	50,000	50,000		-	-
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(4,780)	(3,173)		(2,944)	(1,080)
	778,889	631,131		380,773	84,488
Total	**1,098,429**	**1,099,482**		**380,773**	**373,695**

Details of collateral

The borrowings of the Group are generally secured by:

- Mortgage on subsidiaries' serviced residence properties and the assignment of the rights, titles and interests with respect to the properties
- Assignment of rental proceeds of the properties and insurance policies relating to the properties
- Pledge of shares of some subsidiaries
- Corporate guarantee from the Reit

Capital management

As at 31 March 2011, the Group's gearing was 41.1 percent, well within the 60 percent gearing limit allowable under MAS property fund guidelines. The average cost of debts was 3.2 percent per annum, with an interest cover of 3.8 times. S$580.9 million or 53 percent of the Group's borrowings are on fixed interest rates with S$114.4 million due for refinancing in 2011, in line with the maturity dates of the underlying loans. 21 percent of the Group's borrowings are on floating rates with interest rate caps.

Out of the Group's total borrowings, 13 percent falls due in 2011, 37 percent falls due in 2012 and the balance falls due after 2012.

1(c) CONSOLIDATED CASH FLOW STATEMENT

	GROUP	
	1Q 2011 S$'000	1Q 2010 S$'000
Operating Activities		
Total return for the period before tax	20,389	13,278
Adjustments for:		
Depreciation and amortisation	2,107	1,483
(Gain) / Loss on disposal of plant and equipment	(22)	1
Finance costs	9,338	5,758
Finance income	(366)	(338)
Provision for doubtful debts (written back) / addition	(15)	50
Manager's management fees payable / paid partially in units	2,372	888
Foreign exchange loss / (gain) - unrealised	2,778	(1,634)
Net change in fair value of financial derivatives	5	425
Share of loss of associate	24	9
Operating profit before working capital changes	**36,610**	**19,920**
Changes in working capital	(29,268)	(1,893)
Cash generated from operations	**7,342**	**18,027**
Income tax paid	(4,189)	(1,491)
Cash flows from operating activities	**3,153**	**16,536**
Investing Activities		
Acquisition of plant and equipment	(701)	(3,525)
Capital expenditure on serviced residence properties	(1,533)	(98)
Interest received	366	338
Proceeds from sale of plant and equipment	25	1
Cash flows from investing activities	**(1,843)**	**(3,284)**
Financing Activities		
Distribution to unitholders	(25,148)	(23,269)
Dividend paid to non-controlling shareholders	-	(1,251)
Interest paid	(9,770)	(7,578)
Payment of finance lease	(833)	-
Payment of issue expenses	(53)	-
Proceeds from bank borrowings	378,581	74,676
Repayment of bank borrowings	(377,067)	(64,466)
Cash flows from financing activities	**(34,290)**	**(21,888)**
Decrease in cash & cash equivalents	**(32,980)**	**(8,636)**
Cash and cash equivalents at beginning of the period	**132,711**	**63,228**
Effect of exchange rate changes on balances held in foreign currencies	(2,106)	594
Cash and cash equivalents at end of the period	**97,625**	**55,186**

1(d)(i) **STATEMENT OF CHANGES IN EQUITY**

	Note	GROUP 1Q 2011 S$'000	GROUP 1Q 2010 S$'000	REIT 1Q 2011 S$'000	REIT 1Q 2010 S$'000
Unitholders' Contribution					
Balance as at beginning of period		1,252,694	771,294	1,252,694	771,294
Issue of new units		17,999	935	17,999	935
Issue expenses		(53)	-	(53)	-
Distribution to Unitholders		(10,858)	(12,309)	(10,858)	(12,309)
Balance as at end of period		**1,259,782**	**759,920**	**1,259,782**	**759,920**
Operations					
Balance as at beginning of period		186,839	55,345	140,592	29,407
Total return for the period attributable to Unitholders		15,309	9,190	(2,052)	5,309
Distribution to Unitholders		(14,290)	(10,960)	(14,290)	(10,960)
Balance as at end of period		**187,858**	**53,575**	**124,250**	**23,756**
Foreign Currency Translation Reserve					
Balance as at beginning of period		(24,955)	1,368	-	-
Translation differences relating to financial statements of foreign subsidiaries		(10,953)	4,248	-	-
Balance as at end of period		**(35,908)**	**5,616**	**-**	**-**
Capital Reserve					
Balance as at beginning of period		1,559	1,483	-	-
Translation adjustment		(24)	27	-	-
Balance as at end of period		**1,535**	**1,510**	**-**	**-**
Hedging Reserve					
Balance as at beginning of period		1,330	(4,429)	(50)	-
Change in fair value of financial derivatives		1,798	387	1,386	-
Translation adjustment		(72)	-	-	-
Balance as at end of period		**3,056**	**(4,042)**	**1,336**	**-**
Unitholders' Funds	**1(b)(i)**	**1,416,323**	**816,579**	**1,385,368**	**783,676**
Non-controlling Interests					
Balance as at beginning of period		72,627	71,736	-	-
Translation differences relating to financial statements of foreign subsidiaries		(2,677)	(120)	-	-
Total return for the period		1,171	1,271	-	-
Balance as at end of period	**1(b)(i)**	**71,121**	**72,887**	**-**	**-**
Equity	**1(b)(i)**	**1,487,444**	**889,466**	**1,385,368**	**783,676**

1(d)(ii) Details of any change in the units

	REIT		
	1Q 2011 '000		**1Q 2010 '000**
Balance as at beginning of period	1,107,853		617,210
Issue of new units :			
- partial payment of manager's management fees	2,131		805
- payment of manager's acquisition fee	12,018		-
- payment of manager's divestment fee	1,188		-
Balance as at end of period	**1,123,190**		**618,015**

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the year ended 31 December 2010.

5. If there are any changes in the accounting policies and methods of computation required by an accounting standard, what has changed, as well as the reasons for the change

Nil.

6. Earnings per unit ("EPU") and distribution per unit ("DPU") for the financial period

In computing the EPU, the weighted average number of units for the period is used for the computation.

In computing the DPU, the number of units as at the end of each period is used for the computation.

Earnings per unit (EPU)	**1Q 2011**	**1Q 2010**
Number of units on issue at end of period ('000)	1,123,190	618,015
Weighted average number of units for the period ('000)	1,109,306	617,702
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	1.38	1.49

The diluted EPU is the same as the basic EPU as there were no dilutive instruments in issue during the period.

Distribution per unit (DPU)	1Q 2011	1Q 2010
Number of units on issue at end of period (‘000)	1,123,190	618,015
DPU (cents) – Basic and diluted	2.14	1.66

The diluted DPU is the same as the basic DPU as there were no dilutive instruments in issue during the period.

7. Net asset value (“NAV”) backing per unit based on issued units at the end of the period

	Group		REIT	
	31/03/11	31/12/10	31/03/11	31/12/10
NAV per unit ($)	1.26*	1.28	1.23	1.26

* The decrease in NAV as at 31 March 2011 was mainly due to the distribution paid to unitholders on 28 February 2011 for the period 22 September 2010 to 31 December 2010.

8. GROUP PERFORMANCE REVIEW

8(a) Revenue and Gross Profit Analysis – 1Q 2011 vs. 1Q 2010

	Revenue				Gross Profit				REVPAU Analysis		
	1Q 2011	1Q 2010	Better/ (Worse)		1Q 2011	1Q 2010	Better/ (Worse)		1Q 2011	1Q 2010#	Better/ (Worse)
	S$'M		S$M	%	S$'M		S$'M	%	S$/day	S$/day	%
France	9.4	-	9.4	n.m.	8.9	-	8.9	n.m.	-	-	-
Germany	1.0	-	1.0	n.m.	0.9	-	0.9	n.m.	-	-	-
Philippines	0.2	0.2	-	-	0.2	0.2	-	-	-	-	-
Master Leases	**10.6**	**0.2**	**10.4**	n.m.	**10.0**	**0.2**	**9.8**	n.m.	-	-	-
Belgium	2.5	-	2.5	n.m.	0.4	-	0.4	n.m.	76	-	n.m.
Spain	1.3	-	1.3	n.m.	0.5	-	0.5	n.m.	86	-	n.m.
United Kingdom	8.8	-	8.8	n.m.	3.9	-	3.9	n.m.	153	-	n.m.
Vietnam	1.0	1.0	-	-	0.6	0.6	-	-	86	86	-
Management contracts with minimum guaranteed income	**13.6**	**1.0**	**12.6**	n.m.	**5.4**	**0.6**	**4.8**	n.m.	**118**	**86**	37
Australia	2.0	1.9	0.1	5	0.6	0.4	0.2	50	175	154	14
China	4.2	8.4	(4.2)	(50)	1.2	2.8	(1.6)	(57)	99	114	(13)
Indonesia	3.8	4.9	(1.1)	(22)	1.2	1.7	(0.5)	(29)	97	67	45
Japan	4.2	4.1	0.1	2	2.4	2.4	-	-	129*	135*	(4)
Philippines	6.8	7.4	(0.6)	(8)	2.8	3.1	(0.3)	(10)	151	167	(10)
Singapore	12.4	7.3	5.1	70	6.8	3.6	3.2	89	238	179	33
Vietnam	9.7	8.3	1.4	17	6.0	5.3	0.7	13	105	120	(13)
Management contracts	**43.1**	**42.3**	**0.8**	**2**	**21.0**	**19.3**	**1.7**	**9**	**139**	**123**	**13**
Group	**67.3**	**43.5**	**23.8**	**55**	**36.4**	**20.1**	**16.3**	**81**	**133**	**122**	**9**

** refers to serviced residences in Japan, excludes rental housing*
 # REVPAU for 1Q 2010 has been adjusted to be consistent with the current period's presentation.

Group

Revenue for 1Q 2011 of S$67.3 million comprised S$10.6 million (16% of total revenue) from properties on Master Leases, S$13.6 million (20%) from properties on management contracts with minimum guaranteed income and S$43.1 million (64%) from properties on management contracts. Revenue for 1Q 2011 increased by S$23.8 million or 55% as compared to 1Q 2010. The increase in revenue was mainly due to the additional revenue of S$27.7 million from the 28 properties acquired on 1 October 2010, partially offset by the decrease in revenue of S$4.7 million from the divestment of Ascott Beijing and Country Woods.

On a same store basis, revenue for 1Q 2011 increased by S$0.8 million from S$38.8 million to S$39.6 million. The increase was mainly due to the higher contribution from the Group's serviced residences in Singapore, partially offset by weaker performance from the serviced residences in China.

The Group achieved a REVPAU of S$133 in 1Q 2011, an increase of 9% as compared to 1Q 2010. The increase in REVPAU was mainly due to the existing Singapore properties and the United Kingdom properties acquired.

Gross profit for 1Q 2011 of S$36.4 million comprise S$10.0 million (27% of total gross profit) from properties on Master Leases, S$5.4 million (15%) from properties on management contracts with minimum guaranteed income and S$21.0 million (58%) from properties on management contracts. Gross profit in 1Q 2011 increased by S$16.3 million or 81% to S$36.4 million as compared to 1Q 2010. The increase in gross profit was mainly due to the additional contribution of S$17.1 million from the 28 properties acquired on 1 October 2010, partially offset by the decrease in gross profit of S$1.4 million from the divestment of Ascott Beijing and Country Woods.

On a same store basis, in line with the increase in revenue, gross profit for 1Q 2011 increased by S$0.6 million from S$18.7 million to S$19.3 million.

Australia

Revenue increased by S$0.1 million or 5% in 1Q 2011 as compared to 1Q 2010. REVPAU increased from S$154 in 1Q 2010 to S$175 in 1Q 2011. The increase was mainly due to the strengthening of AUD against SGD and higher demand for serviced residences as a result of increased business from the oil and gas, and mining industries. In line with the increase in revenue, gross profit in 1Q 2011 increased by S$0.2 million or 50%.

China

Revenue decreased by S$4.2 million or 50% in 1Q 2011 as compared to 1Q 2010 mainly due to the divestment of Ascott Beijing on 1 October 2010. Excluding the revenue contribution from Ascott Beijing for 1Q 2010, revenue for 1Q 2011 decreased by S$0.5 million or 11% as compared to 1Q 2010. The decrease was mainly due to lower performance in Tianjin and Shanghai, partially offset by better performance in Beijing. For Shanghai, the lower performance was due to increased competition from the new supply of serviced residences added during the Shanghai World Expo and weaker market demand as a result of harsher winter conditions in 1Q 2011 as compared to previous years. For Tianjin, the lower performance was due to the on-going renovation. In Beijing, the better performance was due to a reduced supply of serviced residences upon the conversion of several serviced residences into strata-titled residential projects for sale. Excluding the results of Ascott Beijing for 1Q 2010, in line with the decrease in revenue, gross profit for 1Q 2011 decreased by S$0.4 million or 25% as compared to 1Q 2010.

Indonesia

As compared to 1Q 2010, revenue decreased by S$1.1 million or 22% and gross profit decreased by S$0.5 million or 29%. This was mainly due to the divestment of Country Woods on 29 October 2010 and 1Q 2010 included a one-off recognition of S$0.5 m pertaining to business interruption ('BI') claim for Somerset Grand Citra. Excluding the contribution from Country Woods for 1Q 2010 and the BI claim, revenue for 1Q 2011 increased by 12% and gross profit increased by 50%. The increase was mainly due to higher demand for serviced residences as a result of increased business from the telecommunication and oil and gas industries. REVPAU increased from S$67 in 1Q 2010 to S$97 in 1Q 2011, mainly due to the better performance of the serviced residences as well as the divestment of Country Woods which had a lower REVPAU.

Japan

Revenue increased by S$0.1 million or 2% in 1Q 2011 as compared to 1Q 2010 due to better performance from the rental housing properties, partially offset by weaker performance of the serviced residence properties. REVPAU decreased from S$135 in 1Q 2010 to S$129 in 1Q 2011. This was mainly due to lower rental rates of serviced residences in view of the weak market demand. The rental housing properties achieved higher occupancy of above 90% but at lower rental rates. Gross profit in 1Q 2011 was at the same level as the gross profit in 1Q 2010.

The Philippines

Revenue decreased by S$0.6 million or 8% in 1Q 2011 as compared to 1Q 2010. REVPAU decreased by 10% from S$167 in 1Q 2010 to S$151 in 1Q 2011. The decrease was mainly because of lower demand from project groups for serviced residences due to reduction in their accommodation budget. In line with the decrease in revenue, gross profit in 1Q 2011 decreased by S$0.3 million or 10%.

Singapore

Revenue increased by S$5.1 million or 70% in 1Q 2011 as compared to 1Q 2010. REVPAU increased by 33% from S$179 in 1Q 2010 to S$238 in 1Q 2011. On a same store basis (excluding the contribution from the newly acquired Citadines Mount Sophia), revenue for 1Q 2011 was higher by S$2.4 million or 33% as compared to 1Q 2010. This was due to the strong market demand and successful launch of the refurbished apartment units of the two serviced residences in Singapore. In line with the increase in revenue, gross profit in 1Q 2011 increased by S$3.2 million or 89% as compared to 1Q 2010. On a same store basis, gross profit for 1Q 2011 increased by S$1.8 million or 50%.

Vietnam

As compared to 1Q 2010, revenue increased by S$1.4 million or 17% in 1Q 2011 and gross profit increased by S$0.7 million or 13%. On a same store basis (excluding the contribution from the newly acquired Somerset Hoa Binh), revenue decreased by S$0.6 million or 7% and gross profit decreased by S$0.3 million or 6% as compared to 1Q 2010 due to the weakening of USD against SGD. In USD terms, revenue increased by 2% and gross profit increased by 5%. The increase was mainly due to higher serviced residence revenue as a result of the refurbished apartment units of Somerset Grand Hanoi.

9. REVIEW OF ACTUAL RESULTS AGAINST FORECAST AS DISCLOSED IN THE OFFER INFORMATION STATEMENT

9(a)(i) Consolidated Statement of Total Return for period 1 January 2011 to 31 March 2011

	Note	GROUP Actual S$'000	GROUP Forecast [1] S$'000	Better / (Worse) %
Revenue	**A.1**	67,314	67,730	(1)
Direct expenses		(30,946)	(32,608)	5
Gross Profit	**A.1**	36,368	35,122	4
Finance income		366	73	401
Other operating income		65	51	27
Finance costs	**A.2**	(9,338)	(11,521)	19
Manager's management fees		(3,199)	(3,391)	6
Trustee's fee		(72)	(77)	6
Professional fees	**A.3**	(409)	(210)	(95)
Audit fees		(346)	(347)	-
Foreign exchange loss		(2,869)	-	n.m.
Other operating expenses		(148)	(125)	(18)
Share of loss of associate (net of tax)		(24)	-	n.m.
Net income before change in fair value of financial derivatives		**20,394**	**19,575**	**4**
Net change in fair value of financial derivatives		(5)	-	n.m.
Total return for the period before tax		**20,389**	**19,575**	**4**
Income tax expense	**A.4**	(3,909)	(4,587)	15
Total return for the period after tax		**16,480**	**14,988**	**10**
Attributable to:				
Unitholders		15,309	13,749	
Non-controlling interests		1,171	1,239	
Total return for the period		**16,480**	**14,988**	**10**

[1] *The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.*

Reconciliation of Total Return for the period attributable to unitholders to total unitholders' distribution

	Note	GROUP Actual S$'000	GROUP Forecast S$'000	Better / (Worse) %
Total return for the period attributable to unitholders		15,309	13,749	
Net effect of non-tax deductible/chargeable items and other adjustments		8,674	5,524	
Total amount distributable to Unitholders for the period		**23,983**	**19,273**	**24**
Distribution per Unit (cents)		**2.14**	**1.71**	**25**

A.1 Revenue and Gross Profit Analysis – 1Q 2011 Actual vs Forecast

	Revenue Actual S$'M	Revenue Forecast S$'M	Revenue Better/(Worse) S$M	Revenue Better/(Worse) %	Gross Profit Actual S$'M	Gross Profit Forecast S$'M	Gross Profit Better/(Worse) S$'M	Gross Profit Better/(Worse) %	REVPAU Actual S$/day	REVPAU Forecast S$/day	REVPAU Better/(Worse) %
France	9.4	9.5	(0.1)	(1)	8.9	8.9	-	-	-	-	-
Germany	1.0	0.9	0.1	11	0.9	0.9	-	-	-	-	-
Philippines	0.2	0.2	-	-	0.2	0.2	-	-	-	-	-
Master Leases	**10.6**	**10.6**	-	-	**10.0**	**10.0**	-	-	-	-	-
Belgium	2.5	2.7	(0.2)	(7)	0.4	0.5	(0.1)	(20)	76	82	(7)
Spain	1.3	1.3	-	-	0.5	0.5	-	-	86	87	(1)
United Kingdom	8.8	8.5	0.3	4	3.9	4.0	(0.1)	(3)	153	148	3
Vietnam	1.0	1.1	(0.1)	(9)	0.6	0.7	(0.1)	(14)	86	99	(13)
Management contracts with minimum guaranteed income	**13.6**	**13.6**	**-**	**-**	**5.4**	**5.7**	**(0.3)**	**(5)**	**118**	**118**	**-**
Australia	2.0	1.9	0.1	5	0.6	0.5	0.1	20	175	154	14
China	4.2	4.6	(0.4)	(9)	1.2	1.3	(0.1)	(8)	99	108	(8)
Indonesia	3.8	4.7	(0.9)	(19)	1.2	1.1	0.1	9	97	70	39
Japan	4.2	4.2	-	-	2.4	2.5	(0.1)	(4)	129*	136*	(5)
Philippines	6.8	7.1	(0.3)	(4)	2.8	2.8	-	-	151	155	(3)
Singapore	12.4	10.8	1.6	15	6.8	5.3	1.5	28	238	200	19
Vietnam	9.7	10.2	(0.5)	(5)	6.0	5.9	0.1	2	105	109	(4)
Management contracts	**43.1**	**43.5**	**(0.4)**	**(1)**	**21.0**	**19.4**	**1.6**	**8**	**139**	**126**	**10**
Group	**67.3**	**67.7**	**(0.4)**	**(1)**	**36.4**	**35.1**	**1.3**	**4**	**133**	**124**	**7**

* *refers to serviced residences in Japan, excludes rental housing*

Revenue was lower by S$0.4 million or 1% as compared to the forecast as the forecast included the contribution from Country Woods, which was divested on 29 October 2010. Excluding the revenue contribution from Country Woods in the forecast of S$1.0 million, revenue was higher by S$0.6 million or 1%. The increase in revenue was due to a 7% growth in the overall REVPAU from S$124 assumed in the forecast to S$133 in 1Q 2011. The increase in revenue and REVPAU was mainly due to higher contribution from the serviced residences in Singapore and United Kingdom, partially offset by a lower contribution from the serviced residences in Vietnam, China and Philippines.

Gross profit was higher by S$1.3 million or 4% as compared to the forecast. Excluding the contribution from Country Woods in the forecast of S$0.3 million, gross profit was higher by S$1.6 million or 5%.

Master Leases

For the serviced residences on master lease arrangements, revenue and gross profit achieved for 1Q 2011 were at the same level as the forecast.

Management contracts with minimum guaranteed income

Revenue from serviced residences on management contracts with minimum guaranteed income was at the same level as the forecast. Higher contribution from the Group's serviced residences in the United Kingdom was offset by lower contribution from Group's serviced residences in Belgium.

The increase for United Kingdom was mainly due to continued market improvement that enabled the refurbished apartments to achieve higher rental rates than that assumed in the forecast. REVPAU has increased by 3% as compared to the forecast.

For Belgium, the decrease in revenue mainly arose due to the postponement of the renovation for Citadines Sainte-Catherine Brussels to end of 1Q 2011 instead of 4Q 2010 as demand in 4Q 2010 was firm. The forecast had assumed that the property has renovated units for lease at higher rental rates in 1Q 2011. The revenue for Belgium for 1Q 2011 included a top-up by the property manager of S$0.1 million for Citadines Toison d'Or Brussels, as assumed in the forecast.

Revenue for 1Q 2011 for Spain included a top-up by the property manager of S$0.2 million in respect of Citadines Ramblas Barcelona, as assumed in the forecast.

The revenue for Vietnam for 1Q 2011 included a yield protection amount of S$0.2 million as assumed in the forecast, in respect of Somerset West Lake due to lower performance.

Gross profit was lower by S$0.3 million or 5% as compared to the forecast mainly due to higher depreciation expense as a result of higher furniture and fittings costs incurred for the renovation of the properties.

Management contracts

For the serviced residences on management contracts, revenue decreased by S$0.4 million or 1% as compared to the forecast as the forecast included the contribution from Country Woods. Excluding the revenue contribution from Country Woods in the forecast of S$1.0 million, revenue was higher by S$0.6 million or 1% as compared to the forecast. This was driven by an increase in the REVPAU from S$126 assumed in the forecast to S$139 in 1Q 2011. The increase was mainly due to the higher contribution from the Group's serviced residences in Singapore, partially offset by the decrease in revenue from the serviced residences in Vietnam, China and Philippines.

For the Group's serviced residences in Singapore, revenue increased by S$1.6 million or 15% in 1Q 2011 as compared to the forecast. REVPAU increased by 19% from S$200 assumed in the forecast to S$238 in 1Q 2011 due to the strong market demand which enabled the serviced residences to achieve higher rental rates.

For the Group's serviced residences in Vietnam, revenue decreased by S$0.5 million or 5% as compared to the forecast due to the lower USD exchange rate than that assumed in the forecast. In USD terms, revenue increased by 3%.

For the Group's serviced residences in China, revenue decreased by S$0.4 million or 9% as compared to the forecast. This was mainly due to lower performance in Tianjin and Shanghai partially offset by better performance in Beijing. For Shanghai, the lower performance was due to increased competition from the new supply of serviced residences added during the Shanghai World Expo and weaker market demand as a result of harsher winter conditions in 1Q 2011 as compared to previous years. For Tianjin, the lower performance was due to the on-going renovation. In Beijing, the better performance was due to a reduced supply of serviced residences upon the conversion of several serviced residences into strata-titled residential projects for sale.

For the Group's serviced residences in Philippines, revenue decreased by S$0.3 million or 4% as compared to the forecast. REVPAU decreased by 3% from S$155 assumed in the forecast to S$151 in 1Q 2011 mainly because of lower demand from project groups for serviced residences due to reduction in their accommodation budget.

Gross profit was higher by S$1.6 million or 8% as compared to the forecast. Excluding the contribution from Country Woods in the forecast of S$0.3 million, gross profit was higher by S$1.9 million or 10% due to higher revenue and lower direct expenses, such as utility expense, repair and maintenance expense and depreciation expense.

A.2 Finance costs

Finance costs were S$2.2 million or 19% lower than the forecast. This was mainly due to lower interest rates achieved as compared to the forecast.

A.3 Professional fees

Professional fees were higher as compared to the forecast mainly due to higher professional fees incurred for the Europe portfolio in relation to financing and insurance purposes.

A.4 Income tax expense

Taxation for 1Q 2011 was lower by S$0.7 million as compared to the forecast. This was mainly due to utilization of tax losses where the deferred tax assets have not been previously recognised in the forecast.

10. OUTLOOK AND PROSPECTS

10(a) Prospects

The Group expects to continue to enjoy RevPAU growth led by Singapore and the United Kingdom ("UK"). We will also continue to enjoy income stability as a result of our geographical diversification across property and economic cycles and the stable base of income from master leases and serviced residence contracts with minimum guaranteed income.

In Japan, our 18 rental housing and two serviced residence properties, all located in Tokyo, suffered no or minimal damages from the earthquake on 11 March 2011. At this point in time, we do not expect the financial impact of the after-effects of the Japan earthquakes to be material to the overall performance of our portfolio of geographically diversified assets in FY2011.

On-going asset enhancement initiatives in China, Vietnam and the UK will be completed in phases in 2011 and are expected to increase the returns of our portfolio. We will continue to seek yield-accretive acquisitions in Singapore, China, Vietnam and the UK. We will also explore opportunities in new emerging markets.

For FY 2011, the Manager expects to deliver the forecast distribution of 7.74 cents as disclosed in the Offer Information Statement dated 13 September 2010.

11. DISTRIBUTIONS

11(a) **Current financial period**
Any distributions declared for the current financial period? No

11(b) **Corresponding period of the preceding financial period**
Any distributions declared for the corresponding period of the immediate preceding financial period? No

11(c) Book closure date : Not applicable

11(d) Date payable : Not applicable

12. **Confirmation pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and REIT (comprising the balance sheets as at 31 March 2011 and the results of the business, consolidated statement of total return, consolidated cash flow statement and changes in equity for the three months ended 31 March 2011, together with their accompanying notes), to be false or misleading in any material respect.

On behalf of the Board
Ascott Residence Trust Management Limited

Lim Jit Poh Director	Chong Kee Hiong Director

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD
Ascott Residence Trust Management Limited
(Company registration no. 200516209Z)
As Manager of Ascott Residence Trust

Kang Siew Fong
Company Secretary

Singapore
20 April 2011